Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 09-May-2023 | Report No: PIDA35984

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Turkiye	P180849	Türkiye Earthquake Recovery and Reconstruction Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EUROPE AND CENTRAL ASIA	08-May-2023	13-Jun-2023	Urban, Resilience and Land
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Republic of Türkiye	Ministry of Environment, Urbanization, and Climate Change, Ministry of Health, Iller Bankasi Anonim Sirketi	

Proposed Development Objective(s)

The Project Development Objective is to restore access to essential services and resilient housing in selected provinces affected by the February 2023 earthquakes in Türkiye.

Components

Component 1: Restoration of Municipal Infrastructure and Services
Component 2: Restoration of Health Services
Component 3: Emergency Housing Support and Recovery
Component 4: Project Management, Monitoring and Evaluation

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.
Yes

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	1,000.00
Total Financing	1,000.00
of which IBRD/IDA	1,000.00

Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	1,000.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **On February 6, 2023, two earthquakes of magnitude 7.8 and 7.5[1] hit southeast Türkiye and Syria; these were followed by thousands of aftershocks, and another earthquake of magnitude 6.7[2] on February 20, 2023.** The epicenters of the first two earthquakes were in Kahramanmaraş Province with neighboring provinces of Adana, Adıyaman, Diyarbakir, Elazığ, Gaziantep, Hatay, Kilis, Malatya, Osmaniye, and Şanlıurfa[3] (the earthquake region) all suffering damages. The epicenter of the third earthquake was in Hatay causing further damage to the region. According to official statistics, the earthquakes resulted in over 50,000 casualties, 107,000 people injured including many disabled, 1.9 million housing units damaged or destroyed, 3.3 million people displaced, and almost 2 million in need of shelter in camps and container settlements. The eleven affected provinces have an area of about 110,000 square kilometers (equivalent in size to the Republic of Korea and larger than many European countries), was home to 14 million Turkish citizens (16.4 percent of the country's population) and 1.8 million Syrians under Temporary Protection (SuTPs)[4], and accounted for 9.4 percent of Turkish gross domestic product (GDP) and 8.6 percent of exports in 2022. Income per capita in the earthquake region lags behind the

[1] Based on figures from the United States Geological Survey Earthquake Catalog (*https://earthquake.usgs.gov/earthquakes/search/*). Bogazici University Kandilli Observatory and Earthquake Research Institute estimated magnitudes as 7.7 and 7.6

[2] Based on figures from the United States Geological Survey Earthquake Catalog (*https://earthquake.usgs.gov/earthquakes/search/*).

[3] State of emergency was declared in 10 of these provinces on February 8, 2023 (Presidential Decree no. 6785) and Elazig Province was declared as disaster zone on February 16, 2023 (Announcement of Government spokesman as per President Order). Gürün District of Sivas Province was declared as "Disaster Zone Affecting General Life" by AFAD on February 21, 2023. In addition, on April 3, 2023, AFAD declared neighboring districts in Bingöl, Kayseri, Mardin, Tunceli, Niğde and Batman Provinces that contain damaged buildings due to the February earthquakes as "Disaster Zone Affecting General Life".

[4] https://www.goc.gov.tr/gecici-koruma5638, February 2, 2023

rest of the country, and poverty rates are higher.[5] The average household income in the earthquake region was only about 30 percent that of an average family in Istanbul in 2019.[6]

2. **The earthquakes have caused massive damage and the macroeconomic impacts are still unfolding**. A World Bank Global Rapid Post-Disaster Damage Estimation (GRADE)[7], prepared within two weeks of the disaster, estimated initial direct physical damages of the earthquakes at US$34.2 billion, the equivalent of 4 percent of Türkiye's 2021 GDP. The report highlighted that recovery and reconstruction costs would be much higher, potentially twice as high, as more detailed assessments were required, and GDP losses associated with economic disruptions would also add to the cost of the earthquakes. The Government of Türkiye (GoT) conducted a more in-depth needs and loss assessment[8] with support from the European Union (EU), United Nations Development Program (UNDP), and World Bank Group (WBG) that was presented at a donor conference on March 20, 2023. This assessment estimated recovery and reconstruction needs at US$81.5 billion.[9] The impact on macro-financial conditions of the February 2023 earthquakes is still unfolding, with further implications expected for growth, labour markets and poverty, the financial sector, and fiscal and external balances. The net effects of the earthquakes on economic activity are expected to be mildly negative in 2023, and positive in 2024 as reconstruction activity offsets the disruption to productive sectors in the affected region.

3. **The earthquakes have struck Türkiye at a time when the country is facing significant macroeconomic pressures.** Türkiye enjoyed high economic growth rates between 2002-20 (5.2 percent on average) that supported rapid poverty reduction with the poverty rate nearly halving from above 20 percent in 2007 to 12.9 percent[10] in 2020 (UMI poverty rate of US$6.85 in 2017 PPP). As in other countries, the COVID-19 pandemic had a negative impact on growth in 2020, but the country was one of the few that did not register a GDP contraction that year (1.9 percent). This performance was due to a large extent to the government's economic policy response to the pandemic focusing on loosening monetary policy and rapid credit expansion. Moreover, supported by domestic and external demand, Türkiye achieved double-digit GDP growth in 2021 (11.4 percent) and maintained significant momentum in 2022 (5.6 percent). However, the policy framework that ensured a strong economic performance during and in the aftermath of the pandemic compounded by the effects of the Ukraine war also heightened macroeconomic risks, including rising inflation (with annual inflation reaching 50.5 percent in March 2023 after having peaked at 85.5 percent in October 2022), currency depreciation (69 percent against the US$ between January 2020 and April 2023), corporate and banking sector vulnerabilities, and a decline in reserve buffers.

4. **Beyond Türkiye's vulnerability to earthquakes, the country is also vulnerable to other natural disasters (e.g., climate-related), which have significant social and economic impacts and hamper the country's ability to recover from recent multiple crises.** About 70 percent of Türkiye's population live in first- and second-degree seismic zones. According to the United Nations (UN), Türkiye ranks 9th globally with regards to human losses due

[5] Türkiye's Future Transitions, Systematic Country Diagnostic, World Bank. 2016
[6] Advancing Spatially Inclusive Development In Türkiye. World Bank. March 2023. Northeast Anatolia, Central East Anatolia, and Southeast Anatolia are classified as Less developed/ lagging regions with GDP per capita of less than 60 percent of the country average.
[7] GRADE report is available at: https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099022723021250141/p1788430aeb62f08009b2302bd4074030fb
[8] 2023 Kahramanmaraş and Hatay Earthquakes Assessment available at https://www.sbb.gov.tr/wp-content/uploads/2023/03/2023-Kahramanmaras-and-Hatay-Earthquakes-Report.pdf
[9] This estimate is broadly consistent with the initial GRADE estimates, especially considering that the government assessment uses data collected up until March 3, 2023, that includes the additional damage caused by the February 20 earthquake in Hatay.
[10] World Bank staff estimates.

to earthquakes.[11] Not including the February 2023 earthquakes, Türkiye has experienced 39 earthquakes with a magnitude of 5 and above since 1990 resulting in approximately 20,000 fatalities, a total affected population of 4.4 million, and direct damages exceeding US$43 billion.[12] The country's exposure to climate-related hazards like flooding and wildfires is also considered high and further contributes to the country's vulnerability. In late 2019, 935 extreme events occurred, caused mainly by heavy rains/floods, windstorms, snow, and hail.[13] Climate-related disasters have been striking with greater frequency and intensity over the last two decades and can create compound risks; for example, on March 15, 2023, torrential rains caused flooding and further damage in regions affected by the devastating February 2023 earthquakes. Average Annual Losses (AAL) to GDP from earthquakes in Türkiye are estimated at US$10 billion, and impact 1 million people on average annually. Floods result in an AAL to GDP of US$5 billion and impact an estimated 600,000 people on average annually[14]. Disasters also disproportionally affect women and other vulnerable groups in terms of labor force participation, unemployment, relative asset losses, among other outcomes.[15] In Türkiye, women's low economic participation, access to finance, emergency funds and supplies, and gender-based violence have been assessed as ongoing challenges.[16]

Situation of Urgent Need or Capacity Constraints

5. **The February 2023 earthquakes had a catastrophic impact on critical infrastructure, social facilities, housing, and livelihoods**. Critical sectors such as housing, municipal services, transportation, healthcare, education, agriculture, and energy were greatly affected in the impacted provinces. The impacts of the earthquakes are particularly detrimental given that, as mentioned above, the most affected provinces also have some of the highest poverty rates in Türkiye[17] and host almost half of all SuTPs in the country.[18] In fact, fatalities include at least 6,600 SuTPs and the number of SuTPs residing in temporary accommodation facilities in the earthquake region increased from around 47,000 to about 88,000 in the wake of the earthquakes[19], while nearly 146,000 SuTPs were granted travel permits allowing them to temporarily relocate to other provinces.[20] In this context, downward income mobility has become a concern, especially for low-income families, including SuTPs. Furthermore, a significant portion of the population is now at risk of falling further into poverty due to financial difficulties from loss of assets paired with a rise in unemployment and under-employment as a result of the earthquakes.

6. **The GoT has been engaged in emergency response efforts since the immediate aftermath of the earthquakes.** The Disaster and Emergency Management Presidency (AFAD), different levels of government, and international partners assisted with the immediate response efforts focused on search and rescue and addressing the needs for shelter, basic hygiene, and health of the earthquake survivors. The Government also established

[11] Turkey's Future Transitions, Systematic Country Diagnostic. World Bank, 2016
[12] EM-DAT, CRED / UC Louvain, Brussels, Belgium – www.emdat.be
[13] 2019 recorded the highest number of hydrometeorological disasters and floods that occurred between 1944-2019. Turkish State Meteorological Service (2020). State of the Climate in Türkiye in 2019 (https://www.mgm.gov.tr/FILES/genel/kitaplar/2019MeteorolojikAfetlerDegerlendirmesi.pdf)
[14] Europe and Central Asia Risk Profiles: Turkey. World Bank. April 17, 2017. Available at https://www.gfdrr.org/en/publication/disaster-risk-profile-turkey
[15] Erman, A. et al. 2021. Gender Dimensions of Disaster Risk and Resilience: Existing Evidence. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35202
[16] World Bank. 2018. Turkey Country Gender Assessment 2017. https://elibrary.worldbank.org/doi/epdf/10.1596/35974
[17] Defined as below US$6.85 per day, Source: Survey of Income and Living conditions 2020 (SILC 2020).
[18] https://en.goc.gov.tr/temporary-protection27
[19] 2023 Kahramanmaraş and Hatay Earthquakes Report, Strategy and Budget Office, Government of Türkiye
[20] Türkiye Earthquake, Humanitarian Needs and Response Overview, 11 April 2023

an initial fund of US$4.5 billion (TRY 87 billion)[21] to support emergency expenditures for a range of activities including urgent repairs to lifeline infrastructure, setting up tent camps to shelter displaced people, providing cash payments to affected households[22], conducting damage assessments across the region, initiating debris removal, and launching emergency civil works to construct 100,000 new housing units[23], mostly in new urban settlements with the associated public infrastructure. In addition, the GoT has been providing additional social assistance to eligible families among the affected population under programs administered by the Ministry of Family and Social Services.

7. **The GoT March 2023 needs assessment highlights that the housing, public infrastructure and buildings, and health sectors have the greatest and most urgent needs.** The report estimates the recovery and reconstruction needs for housing at US$56.9 billion, for public infrastructure and buildings at US$12.9 billion, and for health at US$4.3 billion.[24] The Government has initiated recovery and reconstruction planning by utilizing the Turkish Post-Disaster Recovery Plan. This plan envisages the participation of various government agencies, multilateral and bilateral development partners, non-governmental organizations (NGOs), community organizations, and the private sector.

8. **In this context, the GoT has requested support from the World Bank to fill a critical financing gap for the restoration of critical health and municipal services and strengthen the second stage of rural housing reconstruction.** The financing needs for recovery and reconstruction associated with the February 2023 earthquakes far exceed the GoT's ability to respond. As part of a broader package of WBG support to the GoT after the earthquakes, the proposed Project will provide a portion of the massive financing needed to support recovery and reconstruction efforts in priority areas identified in the GoT needs assessment (i.e., health, municipal services, housing), complemented with capacity building and technical assistance. The Project will support both activities addressing urgent health needs that will have almost immediate positive impacts on people affected by the earthquakes (such as provision of temporary health care facilities) as well as activities tackling equally critical municipal services needs but whose delivery will take longer due to their complexity and scale (such as reconstruction of municipal water and sanitation infrastructure). It will also support the second stage of housing reconstruction in affected rural areas, bringing in global expertise. Moreover, the proposed Project has the potential to be a framework to crowd in additional financing for resilient recovery of disaster-affected areas from other development partners and International Financial Institutions.

Sectoral and Institutional Context

9. **Türkiye has enacted significant regulatory and institutional reforms in the last decades to strengthen its emergency response, recovery, and disaster risk management (DRM) system.** Building on lessons from the 1999 Marmara Earthquake, Law No.5902 on the *Establishment and Duties of the Disaster and Emergency Management Authority* (AFAD) was adopted in 2009, shifting focus from a disaster response-focused approach to also covering disaster risk reduction and preparedness, involving multisectoral coordination and participation

[21] 2023 Kahramanmaraş and Hatay Earthquakes Assessment Report, Strategy and Budget Office, Government of Türkiye
[22] AFAD made one-time emergency aid payments of US$ 527 (TRY 10,000) to approximately 1.7 million affected households in the region, totaling nearly US$ 896 million. Moving and rental assistance payments to households whose homes were destroyed, heavily or moderately damaged have also started. To date, AFAD made payments totaling over US$134 million to 175,262 households among this group who will not be housed in government-provided container cities
[23] https://csb.gov.tr/bakan-kurum-bugun-sanliurfa-mizda-100-bininci-yuvamizin-sozlesmesini-yapiyoruz-temellerini-atiyoruz-bakanlik-faaliyetleri-38545
[24] 2023 Kahramanmaraş and Hatay Earthquakes Assessment Report, Strategy and Budget Office, Government of Türkiye

at the local level. The Law provided the legal and institutional basis to cover disaster risk from a holistic perspective and compelled the country to establish a single government institution (AFAD) to coordinate in cases of disaster and emergencies. Various DRM strategies have also been adopted to facilitate disaster response planning as well as disaster risk reduction across the country, which are aligned with the strategic priorities defined in the Sendai Framework (2015-2030).

10. **Similarly, Türkiye has implemented important reforms to reduce seismic risk in the built environment, often in response to major disaster events, but challenges remain regarding enforcement and the legacy of millions of pre-modern code buildings.** Türkiye's building codes have been successively improved with a major revision following the 1999 Marmara earthquakes that introduced modern seismic construction standards, integrated construction considerations for snow and wind loading, and prohibited construction of public buildings in flood zones. The latest revision to the seismic building code came into force in January 2019 (known as TBEC-2018) replacing the 2007 code revision and largely reflects international good practice.[25] Other important reforms were the introduction of a building inspection system through Law No. 4708 in 2001 to improve code compliance, the establishment of the Turkish Catastrophic Insurance Pool (TCIP) in 2000 to provide earthquake insurance for urban housing and support financial recovery after disasters, and the enactment of the Law on the Transformation of Areas under Natural Disaster Risk (Law 6306) in 2012 introducing a systematic approach to enhance the seismic and climate resilience of housing and critical infrastructure. Yet, much of the building stock in Türkiye was built prior to 2001, when modern seismic codes and building inspection were rolled out into construction practices, and, as such, is considered to be vulnerable with higher chance of serious damage or collapse in an earthquake. In contrast, buildings constructed with strong adherence to the 2007 or 2019 codes are generally considered by engineers as sufficiently resistant to earthquakes to ensure life safety, even if some damage is sustained. However, code compliance has reportedly been mixed, particularly on design aspects, despite the inspection system. Amnesties granted for informal settlements to secure land tenure and access to municipal services for their residents may have also contributed to the continuation of irregular housing construction practices vulnerable to disasters. In addition, despite being mandatory for urban housing, TCIP insurance coverage is only 58.7 percent across the country.[26]

11. **The impacts of the February 2023 earthquakes on the municipal infrastructure and services sector are significant, both in the short and medium- to long-term.** Preliminary government assessments estimate the damage to municipal water and sanitation facilities and utilities (including water and sewage networks, water treatment plants, and wastewater treatment plants) at US$705 million, while at least 1,188 kilometers of municipal roads were damaged at an estimated cost of about US$177 million.[27] However, the figures for municipal infrastructure damage will likely be much larger once ongoing field damage assessments are completed, especially for underground infrastructure. In addition, thousands of municipal service buildings were destroyed or heavily damaged and about 20 percent of municipal service vehicles (including ambulances, firetrucks, garbage trucks, street sweeping vehicles, sewage trucks, funeral vehicles, etc.) suffered damages that rendered them unusable. The combined damages have significantly impacted the capacity of municipalities to

[25] The TBEC-2018 code has similar features to the Eurocode 8 for Design of Structures for Earthquake Resistance and the American Society of Civil Engineers' Minimum Design Loads and Associated Criteria for Buildings and Other Structures (ASCE 7-16). In addition, energy efficiency standards were also increased considerably in Türkiye over the last decades. The building sector in Türkiye was responsible for about 11 percent of total emissions in 2019 and is less energy efficient than the EU average. Incorporating energy efficiency in the residential building stock is a priority for the GoT under its 2007 Energy Efficiency Law (Law No. 5627) and the latest code requires new buildings to meet at a minimum Class C Energy Performance Certification standard.

[26] https://dask.gov.tr/tr/yururlukteki-policeler, retrieved on April 26, 2023.

[27] 2023 Kahramanmaraş and Hatay Earthquakes Assessment Report, Strategy and Budget Office, Government of Türkiye

deliver critical services, including basic sanitation and emergency response. The initial estimate of additional needs in the context of rehabilitation and reconstruction of municipal buildings and facilities (including fire stations), and solid waste infrastructure is about US$125.5 million.

12. **The earthquakes have had a major impact on the financial and technical capacity of the affected municipalities to restore municipal services.** The carrying capacity of municipalities in the affected region was already stretched before the earthquakes with ongoing efforts to scale up municipal infrastructure and services to meet increased demand of both Turkish citizens and SuTPs in the region.[28] The effects of the earthquakes have exacerbated this challenge. As a result of their focusing on the ongoing emergency response, affected municipalities currently have limited capacity to finance infrastructure investments, including limited ability to borrow. Municipalities, particularly those close to the epicenters, also suffered human losses due to the earthquakes,[29] impacting their staff capacity to execute and manage extensive reconstruction efforts, which also involve coordination across central and municipal government agencies. In recognition of these limitations, the GoT has recently introduced legislation enabling the Ministry of Treasury and Finance (MoTF) to transfer external financing to Iller Bankasi A.S. (ILBANK), the government's municipal development and investment bank, to support rehabilitation and/or reconstruction of municipal investments on a grant-basis for the municipalities affected by the earthquakes. Given the limited capacity of several municipalities resulting from the earthquakes, the GoT has also requested ILBANK to take on implementation responsibilities for reconstruction investments on behalf of affected municipalities.

13. **Immediate health needs in the affected areas are also significant due to disruptions to health care delivery, increased demand for health care services, and healthcare supply shortages.** Prior to the earthquakes, the health sector in the earthquake region was well developed, constituting 12.5 percent of public hospitals in Türkiye (116 out of 927[30]) and 17.5 percent of primary-level health care (PHC) centers in the country through a network of Family Medicine Centers (2,454 out of 14,031). Family Medicine Centers provided essential health services including preventive care, reproductive health, maternal and childcare, immunization, as well as screening and treatment of chronic conditions. PHC service provision in the region was in line with the national performance for both Turkish citizens and SuTPs, with a particular emphasis on women's health. To illustrate, antenatal care (ANC) coverage[31] in the Southeastern Anatolia was 95.7 percent for Turkish citizens and 92.9 percent for SuTPs (compared to the national average of 96.4 percent).[32] Similarly, percentage of births assisted by a skilled provider was 98.9 percent for Turkish citizens and 97.5 percent for SuTPs[33], implying equity in PHC service provision. Damage to healthcare facilities and health worker shortages significantly hindered health service delivery in the aftermath of the earthquakes. About 31 percent of hospitals (including public, private, and university hospitals) sustained severe or moderate damages, and most of the remaining ones suffered slight damages. Similarly, PHC facilities and public health laboratories, imaging centers and vaccine warehouses were severely damaged. In addition, at least 448 health workers died, 528 were injured, and many were unable to resume work as their homes were destroyed. Health services have been limited not only for patients injured by

[28] European Union's ongoing Facility for Refugees in Türkiye (FRIT) program covers six densely SuTP populated provinces in the earthquake region, focusing on humanitarian assistance, education, migration management, health, municipal infrastructure, and socio-economic support.
[29] At least 406 municipal staff died in the earthquakes, many more were injured or unable to resume work as their houses were destroyed.
[30] The number of hospital beds per 10,000 (32.3) was higher than the national rate at 31.3 beds per 10,000 population.
[31] ANC coverage is defined as the percentage of women with a live birth in the five years preceding the survey who received ANC from a skilled health provider.
[32] Turkey Demographic Health Survey 2018 and Turkey Demographic Health Survey 2018 for Syrian Migrant Sample, Hacettepe University Institute of Population Studies.
[33] Ibid.

the earthquake, but also for patients with chronic illnesses such as diabetes, pulmonary and cardiovascular disease and patients requiring advanced treatments such as chemotherapy and dialysis.

14. **Disruption in health services increased access barriers to routine care such as vaccination and maternal and child health services, while demand for disability and mental health care increased drastically.** An estimated 130,000 pregnant women are among the population directly affected by the earthquakes with about 14,400 births per month (estimated under normal circumstances) requiring medical attention.[34] There is a radical increase in demand for disability care and mental health services in the aftermath of the earthquake, alongside the depletion of medical supplies and medicines needed for those with existing health conditions. There is also a risk for the infectious diseases in the earthquake-affected region, especially in the tented settlements, where crowded shelters and limited access to water, hygiene products and cleaning supplies increase health risks. Women in the earthquake region also experience greater difficulty in accessing basic supplies and services, including baby formula and diapers. In addition, globally, disasters are often associated with an increase in gender-based violence, with women and children being particularly vulnerable.[35]

15. **The large displacement of population affected by the earthquakes, between and within provinces, creates additional challenges for the restoration of health service delivery in the short- and medium term.** The two million displaced people who have been sheltered in tented camps, especially in the more severely affected provinces like Hatay, Adiyaman, Kahramanmaras, and Malatya, are expected to move to prefabricated container homes and other transitional housing until permanent housing reconstruction is completed. Many affected people also live in rural settlements scattered across the earthquake region. Mobile health care provision is required in the short term to respond to the health care needs of these groups. In addition, millions of affected people moved, and patients were transferred, to other cities that were less or not affected by the earthquakes, such as Antalya, Ankara, Mersin, Sivas, Kayseri, Istanbul, Izmir, Kocaeli and Kutahya, where additional medical equipment and goods will also be needed to meet the surge in demand for health services.

16. **Over 34 percent of the existing housing stock across the earthquake region (about 1.9 million urban and rural units) has sustained damage from the February 2023 earthquakes.** Of these, the Ministry of Environment, Urbanization, and Climate Change (MoEUCC) assessed 27 percent (518,000) as collapsed or severely damaged, 7 percent (132,000) as moderately damaged, and about 66 percent (1,300,000) as lightly damaged requiring minor repairs. Damage was compounded by the age of buildings in the affected provinces, with as much as 38 percent[36] of the building stock in the earthquake region constructed prior to 2000, i.e., prior to the roll-out of modern seismic building codes and regulations. Preliminary cost estimates for reconstruction of collapsed or severely and moderately damaged housing is US$54.7 billion, while the repair of lightly damaged housing is estimated at US$0.7 billion.[37] Average TCIP coverage for urban housing in the earthquake region was only about 53 percent.[38]

[34] United Nations Population Fund, "Türkiye/Syria Earthquake. Joint Situation Report #1", updated March 20, 2023, https://eeca.unfpa.org/sites/default/files/pub-pdf/earthquake_joint_sitrep_1_-_f5.pdf
[35] Erman, A. et al. 2021. Gender Dimensions of Disaster Risk and Resilience: Existing Evidence. World Bank, Washington, DC https://openknowledge.worldbank.org/server/api/core/bitstreams/80f2e78e-f04f-5a59-86a6-9cfe6bcd7b87/content
[36] Ibid.
[37] Government of Türkiye, Strategy and Budget Office. "Türkiye Earthquakes Recovery and Reconstruction Assessment." March 20, 2023
[38] Rural housing is not eligible for TCIP coverage. Specifically, TCIP coverage was as follows: 68.1 percent in Gaziantep, 66 percent in Elazığ, 63.5 percent in Kilis, 55.5 percent in Malatya, 54 percent in Kahramanmaraş, 52.6 percent in Şanlıurfa, 52.2 percent in Adana; 48.8 percent in Osmaniye, 43.3 percent in Adıyaman, 39.8 percent in Hatay, and 37.3 percent in Diyarbakır. (https://dask.gov.tr/tr/yururlukteki-policeler, retrieved on April 26, 2023.)

17. **According to Turkish legislation,[39] AFAD has the overall responsibility for coordinating post-disaster housing reconstruction and has a range of programs and implementing partners at its disposal, including MoEUCC.** Typically, various programs support both urban and rural post-disaster housing reconstruction in Türkiye, which are tailored according to the scale and impact of the disaster with a focus on beneficiary preferences and consultation. Implementation of the government-led housing reconstruction modality is normally carried out by MoEUCC and its affiliated institutions, such as the Housing Development Administration (TOKİ), at the request of AFAD. In response to this disaster, reconstruction of urban housing units is largely being carried out through TOKI considering its extensive experience and capacity. For rural housing, given the large area affected by the earthquakes, AFAD has also activated the state-led housing reconstruction program with MoEUCC that rebuilds rural housing on behalf of eligible rights holders.[40]

18. **Over the years, both AFAD and MoEUCC have amassed extensive experience in rural housing reconstruction and continuously improved the state-led reconstruction program based on lessons learned.** Between 1960 and 2022, MoEUCC has managed the post-disaster reconstruction of about 154,000 rural houses through tenders in partnership with AFAD. House designs and options for post-disaster reconstruction have evolved over time, incorporating beneficiary feedback, and adjusting for regional and cultural preferences. For the reconstruction following the February 2023 earthquakes, MoEUCC has developed five design options for single-family rural houses that are resilient to seismic and other hazards as well as energy efficient in compliance with the latest building codes in Türkiye.

19. **To meet immediate rural shelter needs after the February 2023 earthquakes, AFAD has tasked MoEUCC's General Directorate for Construction Affairs to reconstruct 50 percent of collapsed rural houses immediately**. Further reconstruction will advance in a second stage as the rights holder verification process is being completed. As part of the proposed Project, the GoT has requested World Bank support for the second stage of rural housing reconstruction. It is in this second stage that the GoT expects the World Bank to add significant value by: (i) leveraging its global housing reconstruction expertise, (ii) providing technical assistance to further improve how well the program maximizes the inclusion of lower income households, (iii) supporting the GoT to enhance the overall economic efficiency of the rural housing reconstruction program.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

20. The proposed Project Development Objective (PDO) is to restore access to essential services and resilient housing in selected provinces affected by the February 2023 earthquakes in Türkiye.

Key Results

21. Indicative indicators for tracking progress toward the PDO are as follows:

[39] Law No. 7269 on Measures to be Taken and Aids to be Provided Due to Disasters Affecting Public Life, Presidential Decree No. 4, and Law No. 6306 on the Transformation of Areas at Risk of Disaster (often applied jointly with Law 7269).
[40] This program is called, "Provision of Ready-Made Housing". It also supports the reconstruction of barns where these are technically feasible and requested by eligible rights holders at an additional cost. AFAD also has in place a beneficiary-led program to assist rural homeowners to reconstruct their housing, but this is typically used in response to small-scale disasters and has not been activated for this disaster.

a) People provided with access to restored municipal infrastructure and services with improved disaster and climate resilience under the Project (number, gender disaggregated)
b) People provided with access to restored essential health services under the Project (number, gender disaggregated)
c) People benefitting from disaster and climate resilient, and energy efficient rural housing and village infrastructure reconstructed under the Project (number, gender disaggregated)

D. Project Description

22. **The Project includes four components as described below**: (1) Restoration of Municipal Infrastructure and Services; (2) Restoration of Health Services; (3) Emergency Housing Support and Recovery; and (4) Project Management, Monitoring and Evaluation.

Component 1: Restoration of Municipal Infrastructure and Services (US$420 million)

23. **This component will finance civil works (including demolition as applicable), goods, consulting, and non-consulting services needed to restore access to critical municipal services of affected communities (including Turkish citizens and SuTPs) while enhancing disaster and climate resilience.** This will include the medium-term rehabilitation and reconstruction of critical municipal infrastructure and facilities such as water, sanitation, stormwater drainage, municipal transport infrastructure, and fire and emergency response services. The component will also finance purchasing of equipment and vehicles in the short-term to restore municipal capacity for the provision of essential services. The component will also finance consulting firms for preparation/review of technical designs and construction supervision, which will also conduct local soil surveys and propose options as needed/feasible for site selection and materials to ensure long-term resilience of the reconstructed municipal infrastructure.

24. **Based on preliminary assessments, ILBANK has established an initial longlist of potential needs and investments under Component 1 in consultation with affected municipalities**. Further detailed damage assessments and engineering evaluations are necessary (especially of underground municipal infrastructure) and are already underway in some municipalities to determine the exact scope and costing of potential investments. The prioritization of the municipal investments under this component will target the most urgent and demand-driven needs in accordance with agreed eligibility and selection criteria, including relevance to the PDO, alignment with recovery and zoning plans, readiness for implementation, technical feasibility, environmental and social (E&S) risk considerations, and sustainability. ILBANK will submit proposed priority investments to the World Bank for review and non-objection and will hire supervision construction firms to supervise the works. The prioritization will also consider complementarities with municipal investments that are expected to be financed through potential parallel co-financing from other International Financial Institutions.

Component 2: Restoration of Health Services (US$270 million)

25. **This component will support activities to restore access to health services for the affected communities (including both Turkish citizens and SuTPs) in the short-term**. This will include establishing a network of fully equipped prefabricated primary health care (PHC) facilities complemented by mobile PHC and diagnostic services, provision of equipment and furnishings for prefabricated emergency hospitals (whose establishment is not within the scope of the Project), restoring depleted medical supplies, improving access to vaccination, supporting access to mental health services and disability support, and supporting public health measures as well

as water, sanitation, and hygiene measures in health facilities to prevent the spread of infectious diseases. The activities to be financed under this component will be complementary to the initial purchase of immediate and urgent medical goods and supplies supported under the ongoing World Bank-financed Health Systems Strengthening and Support Project (HSSSP) (P152799).[41]

26. **The geographical distribution and prioritization of activities under this Component is determined according to the following criteria**: Fixed prefabricated facilities will be installed in cities in the earthquake region with a high level of destruction and high concentration of remaining population. The distribution of mobile clinics and vehicles will aim to reach dispersed settlements in the earthquake region, including communities (Turkish citizens and SuTPs) living in tent settlements or prefabricated container homes, villages in rural areas, and shelters. This approach will address distributional challenges caused by the earthquake concerning the access to health care and ensure that no-one is left behind with a focus on vulnerable groups and hard to reach populations. Support to cities with a high influx of the displaced population and transferred patients from the earthquake region will be limited to the provision of additional equipment and medical goods to address critical health needs such as mental health and/or disability support through prosthesis and orthotic devices, physical therapy and rehabilitation services or advanced laboratory capacities to monitor the health situation. MoH will cover the recurrent costs of operating the facilities and mobile units, including salaries of health workers, costs of other medical supplies, drugs, and non-salary operating expenses, from the general government budget. To ensure the presence of required health workforce in the field, MoH is conducting the draws for the mandatory state service of recent medical graduates exclusively for the earthquake region.[42] MoH also gives priority to the earthquake region for the appointment of other health workers and assigns staff from other provinces to the earthquake region.

Component 3: Emergency Housing Support and Recovery (US$290 million)

27. **This component will support two activities related to post-disaster housing recovery.** First, it will finance civil works (including demolition as applicable), consulting, and non-consulting services for the climate and disaster-resilient reconstruction of collapsed, heavily or moderately damaged rural houses and associated repair and/or reconstruction of basic infrastructure and social facilities in villages affected by the earthquakes under the GoT's existing post-disaster rural housing reconstruction program. Second, it will provide technical assistance to AFAD and MoEUCC to strengthen their capacity to support resilient recovery and more inclusive post-disaster housing programs.

28. **A set of damaged villages will be selected for subcomponent 3.1 considering socio-economic and technical criteria.** The damage and rights holder verification process and the identification of safe relocation sites, where needed, are currently ongoing for the affected rural areas. As they are advancing in this process, AFAD and MoEUCC will identify sets of damaged villages for which rights holder verification is completed, that have high potential for in-situ reconstruction or availability of encumbrance-free relocation sites, that are not too dispersed geographically, and that are not yet covered by the ongoing first stage of rural housing

[41] Immediately following the earthquakes, US$40 million were repurposed under HSSSP for the purchase of medical goods and supplies to address pressingly urgent needs of MoH that have significant and direct effects on public health (such as the prevention of infectious diseases and saving lives). These purchases included e.g., disinfectants and biocidal products, drugs with the active ingredient adrenaline, medical equipment, and devices such as hemodialysis devices, incubators, dialysis devices, and emergency stretchers. The activities under both HSSSP and this Project were selected based on the overall needs list prepared by MoH after the earthquakes and are fully complementary.
[42] The so-called State Service Obligation is mandatory for newly graduated physicians who have completed their (minor) specialization. The service lasts 300 to 600 days depending on the place of duty. Draws for this mandatory service are held every two months.

reconstruction. Prioritization between identified villages will also consider socio-economic development indicators and complementarities with support that may become available from other development partners. MoEUCC will submit the proposed sets of damaged villages and relocation sites (where applicable) to the World Bank for review and non-objection, ensuring that the rural housing to be reconstructed is in line with the Bank's ESF and fiduciary policies and with clear ownership. Within the selected villages, all eligible rights holders who choose to participate in the housing reconstruction program will be covered.

29. **For reconstruction of eligible rural houses, preference will be given for in-situ reconstruction to the extent possible under the Project, and energy efficiency will be improved in addition to resilience.** Where relocation is inevitable due to geotechnical and/or climate hazards (such as flooding, landslides, etc.), resettlement plots for reconstruction shall be on government-owned land and in full compliance with the World Bank's ESF. Rights holders whose houses will be reconstructed on government-owned land will maintain the rights of the land they vacate but are not allowed to build structures on that land if it has been designated as hazard prone; in addition, the government will transfer the rights for the new land to them. Rural housing will be reconstructed in accordance with the latest seismic building codes and incorporate energy efficiency measures through siting, orientation, and design and will have Turkish Class C (or better) Energy Performance Certification, i.e., will meet the country's building and energy efficiency standards or better, with rigorous construction supervision financed through Project resources. The Project will also ensure that the smaller housing unit options are offered to eligible beneficiaries to improve affordability for lower income households and further enhance energy efficiency measures.

Component 4: Project Management, Monitoring and Evaluation (US$6.5 million ILBANK, US$7 million MoH, US$6.5 million MoEUCC)

30. **This component will finance consulting and non-consulting services, goods, training, and operating costs for supporting the Implementing Agencies in project management and implementation activities under the Project,** including for, but not limited to, monitoring and evaluation, reporting, procurement, financial management, environmental and social management, grievance redress mechanism, citizen engagement, and project communication and outreach.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

31. **The environmental and social risk rating is rated Substantial.** Potentially significant environmental risks and impacts may include, inter alia: (a) air and noise pollution; (b) generation, management, and disposal of general and medical wastes; (c) fire and life safety risks; (d) sludge generation and disposal from potential water and sanitation works; (e) traffic risks; (f) diverse impacts on lands and land use; and (g) various health and safety risks to project workers and local communities. Although the Project will have both short and long-term beneficial

social impacts, given the magnitude of the earthquake and the contextual challenges that could frame response activities, the Project also poses several cross-cutting social risks, including: (a) possible exclusion of vulnerable populations and groups whose interests are traditionally underrepresented, such as women, the elderly, youth, persons with disabilities; (c) potentially inadequate management of GBV risks, which may be severely augmented during disaster contexts; (d) labor influx risks, despite project efforts to promote local hiring of workers; (e) the potential for involuntary resettlement and the potential lack of availability of public land for resettlement, and; (f) difficulties in engaging stakeholders. The Project's E&S risks will be mitigated through: (a) the development, consultation, and application of Project's E&S instruments; (b) strengthening of E&S technical and institutional capacity by the three Implementing Agencies maintaining three E&S officers each; (c) ensuring that works that have physical impacts do not begin without the required Project's E&S instruments in place and disclosed, and the necessary E&S clauses included in contract documents; and (d) the implementation of a robust citizen engagement, grievance redress mechanism, and stakeholder engagement plan to ensure the participation of all stakeholders, understand the needs of the affected populations, ensure transparency and coordination between government entities, and receive and address feedback and grievances. In addition, in-situ rural housing reconstruction will be prioritized to limit the risk of insufficient public land for resettlement**.**

E. Implementation

Institutional and Implementation Arrangements

32. **The Project will have one Loan Agreement with three implementing agencies, each of which has existing experience managing World Bank-financed projects and scalable capacity to implement this emergency Project**. The Loan Agreement will be signed between the World Bank and the MoTF with ILBANK as implementing agency for Component 1, the MoH as implementing agency for Component 2, and the MoEUCC as implementing agency for Component 3 in coordination with AFAD. All Implementing Agencies will benefit from project management and monitoring and evaluation support under Component 4. The institutional and implementation arrangements build upon existing structures in the implementing agencies that have proven implementation capacities and ability to work well with other institutions. In addition, each implementing agency will be able to launch project activities independently from one another, allowing greater flexibility to advance activities by component based on readiness. To ensure cohesive overall coordination and strategic guidance across implementing agencies, quarterly coordination meetings will be held with representatives from MoTF, Strategy and Budget Office, AFAD, ILBANK, MoH, MoEUCC, and relevant municipalities.

33. **The responsibility for overall management and implementation of Component 1 will lie with ILBANK.** ILBANK is a state-owned development and investment bank established in 1933 and has two core functions: (i) to support infrastructure development at the sub-national level through loans, grants, and technical assistance, and (ii) to transfer central tax revenues to local authorities in Türkiye. As the government's municipal lending vehicle, ILBANK has a long experience in managing implementation of municipal infrastructure investments and demonstrated its capacity to act as a financial intermediary (FI) for municipal service projects with IFI financing, including through World Bank-financed operations such as the Municipal Services Project (MSP, P081880), the Sustainable Cities Series of Projects (SCP, P128605 and P161915), and the FRIT Municipal Services Improvement Project (P169996). Given the impact of the February 2023 earthquakes, GoT decided that support for the reconstruction of damaged municipal infrastructure would be provided as grants (rather than loans through a FI modality). Law No. 7441 (dated March 15, 2023) introduced an amendment to the public finance and debt management law (Law No 4749) enabling MoTF to allocate or transfer funds to special budget institutions (such as ILBANK) for this purpose. In addition, given the urgency of the reconstruction process and the sheer extent of

the damage sustained at the municipal level, including to municipal administration facilities and staff, the GoT requested ILBANK to implement Component 1 on behalf of, and in close coordination with, earthquake-affected municipalities.

34. **Under this Project, ILBANK's International Relations Department will act as an implementing agency rather than Financial Intermediary (FI) for Component 1, coordinating closely with the Project's beneficiary municipalities and affiliated utilities.** ILBANK's International Relations Department has a Project Management Unit (PMU) that was first established in 2005 and has since continuously coordinated and supervised the implementation of World Bank-financed projects in an FI modality. Hence, the Department has a strong track record and experience with the Bank's policies and procedures. However, for this specific Project, ILBANK will act as an Implementing Agency on behalf of the beneficiary municipalities and affiliated utilities in the earthquake-affected areas. Therefore, a new Project Implementation Unit (PIU) exclusively tasked with the implementation of this Project will be established under ILBANK's International Relations Department with functions and responsibilities acceptable to the Bank prior to any disbursement under Component 1. The ILBANK PIU will be directly responsible for procurement, financial, contract, environmental, and social management, as well as monitoring, evaluation, and reporting for all activities under Component 1. The ILBANK PIU will need to ensure appropriate and close coordination with beneficiary municipalities throughout project implementation including on technical aspects, procurement, and environmental and social considerations through the signing of protocols on subproject implementation and handover, as well as the nomination of technical focal points/liaisons from municipalities who will be involved during procurement and supervision tasks to ensure ownership.

35. **The responsibility for overall management and implementation of Component 2 will lie with the MoH through its existing Project Management Support Unit (PMSU).** The PMSU has experience in implementing Bank-financed operations such as the HSSSP (P152799) and COVID-19 Emergency Response Project (P173988) in collaboration with technical specialists from the relevant General Directorates in MoH and technical consultants. For this Project, the General Directorate of Public Health, the General Directorate of Public Hospitals, and the General Directorate of Emergency Health Services will be implementing units for the project activities within their mandate, including procurement of goods, medical supplies, and equipment for activities under Component 2. The PMSU will oversee the preparation of the consolidated annual workplan, procurement plan, and financial report for Component 2 and will assist the General Directorates of MoH in monitoring compliance with Bank environmental and social standards (ESS) and fiduciary policies. The PMSU will report regularly to the Vice Minister of Health in charge of this operation and the ongoing HSSSP and COVID-19 Emergency Response Project.

36. **The responsibility for overall management and implementation of Component 3 will lie with MoEUCC's General Directorate for Construction Affairs (GDCA), in close collaboration with AFAD's General Directorate for Housing and Construction Works.** GDCA currently has two PIUs with experience in implementing Bank-financed projects, which are responsible for the implementation of the ongoing Energy Efficiency in Public Buildings Project and Seismic Resilience and Energy Efficiency in Public Buildings Project (SREEP), as well as the pipeline Scaling-up Distributed Solar PVs Project. A new PIU will be established under GDCA for implementation of activities under this Project. This PIU will be responsible for: (i) raising awareness about the Project activities and communicating with stakeholders; (ii) carrying out consultations with beneficiary rights holders and communities throughout project implementation and addressing grievances in a timely manner; (ii) procurement of civil works, consulting services, and goods; (iii) financial management; (iv) compliance with the ESF; and (v) monitoring and reporting. MoEUCC will sign a protocol with AFAD defining their respective roles and responsibilities in the implementation of Component 3. The GDCA PIU will work collaboratively with AFAD, as defined in the protocol, as well as with other relevant general directorates in MoEUCC (e.g., General Directorate

for Spatial Planning) as needed. Prior to establishment of the new PIU, the existing SREEP PIU will be responsible for kick-starting implementation of the proposed Project.

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